Financial Improvement Program (FIP) General Fund

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AGENDA

- SPAWAR FIP GOALS
- SPAWAR GENERAL FUND (GF) FOCUS AREAS
- FIP BENEFITS TO SPAWAR
- FIP LESSONS LEARNED
- INTERESTING FINDINGS
- WHAT'S NEXT FOR SPAWAR?
- POINTS OF CONTACT

SPAWAR FIP GOALS

- To improve business practices within our control and work with others on areas of joint responsibility. We assume that others will work on areas they control which impact our financial statements (areas such as disbursing, contracting, logistics, etc.)

- SPAWAR actions include:
  - Document end-to-end business processes (As-Is, To-Be)
  - Identify internal controls
  - Identify deficiencies and corrective actions
  - Implement local corrective actions
  - Recommend Navy-wide business solutions

SPAWAR GF FOCUS AREAS

- Property, Plant, & Equipment (Largest Asset Line)
  - Military Equipment
  - Internal Use Software (Navy Lead)
  - General Property, Plant, & Equipment
- Funds Balance With Treasury
  - Unmatched Disbursements
  - STARS-HCM Official Undistributed
- Accounts Receivable
  - Government and Public
- Obligations Incurred

FIP BENEFITS TO SPAWAR

- Better management of DOD, DON, and SPAWAR resources
  - Funding made available for reuse
  - Moving closer to Tri-annual Review validation compliance
  - Improved expenditure rates – better defense against budget hits

- FIP results will help to get us ready for ERP conversion and operation
  - Better understand and improve our processes
  - Root cause analysis of aged balances results in clean up of old and problem data (do this before conversion)

FIP LESSONS LEARNED

- Teaming a contractor who knew our organization, business practices, processes and data with one who knew clean financials proved to be a real bright idea
- Our original self-assessment turned out to be consistent with our in-depth assessment
- Set priorities (largest financial statement lines & known issue areas), work from the top down, don't try to do more than you can handle
- Comptroller is FIP focal point, but FIP is really about improving business practices
  - To be successful you have to work with other process and system owners (DFAS, FMO, program managers, contracting officers, logistics personnel, etc.)

INTERESTING FINDINGS

- Funds Balance with Treasury (FBWT)
  - Deficiency: No reversing entry of month-end summary adjustments
    - Overstated STARS-HCM USSGL Account 1010.0552 - Official Undistributed Disbursements (should represent the variance between disbursements reported to Treasury (DCAS) and those recorded in the accounting system)

- Obligations Incurred
  - Deficiency: Invalid obligation balances (aged ULO)
    - Deobligate aged balances for MOCAS closed contracts based on MOCAS history Q-final data or administrative (A Mod)/procurement (P Mod) deobligation modifications

WHAT'S NEXT FOR SPAWAR?

- Additional GF Focus Areas (moving down priority list)
  - Funds Balance with Treasury
    - Unknown Suspended Items
  - Accounts Payable
    - Contract and Reimbursable
  - Other Liabilities with the Public
  - Cash and Other Monetary Assets

POINTS OF CONTACT

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